

Message Text

CONFIDENTIAL

PAGE 01 QUITO 03017 120828Z
ACTION EB-07

INFO OCT-01 ARA-06 ISO-00 ERDA-05 AID-05 CEA-01
CIAE-00 COME-00 EPG-02 DODE-00 FPC-01 H-01 INR-07
INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06
OES-07 SP-02 SS-15 STR-04 TRSE-00 ACDA-07 FEA-01
/096 W

-----122153Z 047275 /44

R 092251Z MAY 77
FM AMEMBASSY QUITO
TO SECSTATE WASHDC 4230
INFO AMCONSUL GUAYAQUIL

C O N F I D E N T I A L QUITO 3017

E.O. 11652: GDS
TAGS: EINV ENRG PFOR EC
SUBJ: GULF-GOE NEGOTIATIONS

1. THE GOE AND GULF HAVE DECIDED TO REWRITE DECREE 1064 OF JANUARY 13, 1976, WHICH AUTHORIZES THE SIGNING OF THEIR AGREEMENT (CONVENIO). GULF THINKS THE REVISION OF THE DECREE MAY WELL BE A SALUTARY DEVELOPMENT, SINCE THE DATES IN THE CONVENIO ARE ALREADY OUT-OF-DATE, AND THE NEW DECREE WILL RECTIFY THESE AND AUTHORIZE CHANGES IN THE LETTERS OF CREDIT AND IN THE JOINT INSTRUCTIONS ON SIMULTANEOUS TRANSFER OF FUNDS.

2. THE NEW DECREE MUST BE SIGNED BY ALL MINISTERS OF STATE. SIGNATURE OF THE EXISTING DECREE REQUIRED ABOUT TEN DAYS, BUT GOE REPRESENTATIVES HAVE ASSURED GULF THAT LESS TIME WILL BE NECESSARY FOR THE REPLACEMENT DECREE, DUE TO THE MINISTERS' FAMILIARITY WITH SUBJECT MATTER.

3. THE GOE IS ALSO PREPARING A DECREE AUTHORIZING CEPE'S CONTRACT FOR THE \$35 MILLION LETTER OF CREDIT WITH BANK OF AMERICA, APPARENTLY AT THE REQUEST OF BANK OF AMERICA.
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4. LOCAL GULF MANAGER JACK O'BRIEN TOLD EMBOFFS THAT THE GOE IS BEING COOPERATIVE, AND CURRENT DELAYS ARE NOT SUBSTANTIVE IN NATURE.

5. THE CONSORTIUM IS CURRENTLY SHUTTING IN PRODUCTION ONCE AGAIN, DUE TO CEPE'S INABILITY TO LIFT ITS CRUDE. THE LOCAL

BANK OF AMERICA MANAGER TOLD EMBOFF LAST WEEK THAT THE GOE
HAD A \$45 MILLION TRADE ACCOUNT DEFICIT FOR THE FIRST QUARTER
OF 1977 DUE TO DROP IN OIL SALES.
BLOOMFIELD

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COMPENSATION, NATIONALIZATION, NEGOTIATIONS, LETTERS OF CREDIT, GOVERNMENT MINISTRIES
Control Number: n/a
Copy: SINGLE
Sent Date: 09-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Handling Restrictions: n/a
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ISecure: 1
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Litigation Codes:
Litigation History:
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